

Chris Busch

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Chairman Nichols, esteemed Board members,
Thanks to you and your staff for your dedicated efforts and this exceptional step forward.

California is showing this country how we can build a clean energy economy. The state has proven time and again that we can both clean up our air and grow our economy.

California attracted an incredible \$1.8 billion in clean energy venture capital investment in 2007, more than all of Europe combined, and this flow of investment has continued even during the current credit crunch.

Clearly the world is looking to California for innovative clean tech solutions. By rising to the challenge, California can gain an advantage in the energy markets of the future, and can provide the solutions the world is looking for. California's leadership on global warming policy and this draft plan in particular provide a good foundation for the continued success of the state's clean tech industries.

We urge California to continue its regional leadership role so that the Western Climate Initiative produces a strong approach to tackling global warming.

The draft plan sketches the outlines of a well-designed cap-and-trade program that draws on lessons learned from other cap-and-trade systems, but important details remain to be decided.

In particular, we urge an abundance of caution on the role for compliance offsets. A well functioning market will ensure that polluters can't just buy their way into compliance with paper emissions reductions. This will require carefully designed limits on the extent to which offsets are allowed an alternative compliance option as well as rigorous standards to ensure that reductions are real, permanent, quantifiable, and enforceable by CARB as required by AB 32.